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19 NOV 1968

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy Director for Plans

SUBJECT : Visit of Ambassador Edward M. Korry on 20 November 1968

1. During your meeting with Ambassador Korry scheduled for 3:00 p.m. on 20 November 1968, it is likely that the election program currently being carried out in Chile under the Ambassador's personal direction will be raised. The purpose of this memorandum is to outline the background, current status and outlook for this operation.

2. As originally conceived and presented to the 303 Committee, the election program was to be a minor part of a total U.S. Government package designed to shore up the moderate forces of Chile before the 1970 presidential election when it is possible that a Communist-supported popular front government may come to power. Specifically, the $350,000 covert program was targeted against the March 1969 congressional election and involved two aspects: (a) providing [redacted] in direct support to politically-moderate candidates of three non-Marxist parties (Christian Democrat, National, and Radical), and (b) expending [redacted] for propaganda and related activities to create a climate favorable to all moderate candidates [redacted]. In the absence of a clear-cut course of action for the U.S. in the 1970 election, it was felt that we should support all moderates who could be expected to work in opposition to the election of a popular front candidate and, if one should be elected, to oppose him in congress. In brief, the program for 1969 was designed to be limited in scope and flexible in political terms, thus leaving all options open for the 1970 election.

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3. While there has been no change in the basic concept of the election program, there have been developments during the past six months which have affected both the practical implementation of this program and the prospects for 1970.

a. One development (reported to the 303 Committee in August) involved a change in the Embassy/Station assessment of the Radical Party, which thereafter would be considered essentially as hostile to U.S. interests and in pursuit of an alliance with the Communists in 1970. This has meant that few, if any, Radicals would be considered for electoral support.

b. Another development has been a leftward shift of the ruling Christian Democratic Party (PDC) away from the moderate philosophy and programs of President Frei. In fairly rapid succession the following has occurred: first, the PDC's leading presidential aspirant, (and former Ambassador to the U.S.) Radomiro Tomic, adopted and promoted a strategy based upon an eventual electoral alliance with the Communists in 1970 (Ambassador Korry has been skillfully trying to perpetuate Communist distrust for Tomic by making it appear as though the U.S. and Tomic have an "understanding"); second, in August the party's leadership fell into leftist hands, only seven months after Frei had regained control of his party [redacted] and third, in October the party formally adopted both Tomic's political strategy of an opening to the left (read Communists) and an economic program in consonance with its pro-Marxist elements. In the past two weeks President Frei has moved to check his party's leftward drift by publicly opposing any form of alliance with the Communists and by ousting one of his more leftist and controversial appointees

(Jacques Chonchol who worked on Cuba's agrarian reform program and has been responsible for that of Frei). It should be noted that the Embassy's assessment of Frei's latest moves is quite promising, but more optimistic than that of our Station which considers Frei already in a lame-duck status and generally views with concern the present posture of the PDC.

e. Finally, during the past six months the anti-Marxist and anti-PDC candidacy of former-President Jorge Alessandri has been flourishing according to all observers and has decisively affected the country's political situation and outlook. In a positive sense, Alessandri's strength means that a very strong opponent will be fielded against the Marxists in 1970. On the other hand, his strength assures a major split in non-Marxist ranks and could well lead to the election of the Communist-supported candidate with barely forty percent of the vote in a three-way race. It might be noted that the [redacted] This view is not entirely shared by the Station, as the Ambassador is aware.

4. Against the background of these developments the field election team composed of key Embassy and Station personnel recently undertook a final review of the electoral lineup for the congressional election and made recommendations to the Ambassador who approved support in ten specific contests and, pending further study, probable support in five other races. Politically, the ten certain and five probable recipients of support break down as follows: [redacted] (In the selection process it appears that the differences in outlook of the Embassy and Station again showed themselves. [redacted]

[redacted] Quantitatively, this means that there will be an operational involvement in a modest percentage of the total one hundred eighty congressional seats which will be contested in March. In addition, the Ambassador approved funding of a dissident Socialist party [redacted] or between [redacted] in an effort to maintain the existing division in Marxist ranks. Approximately [redacted] the $150,000 approved by the 303 Committee has been earmarked for implementation of this program thus far.

5. In summary, we would note the following:

a. The election program is a limited program involving selected support to only a handful of individuals and cannot in any significant way be expected to affect the prospects for 1970;

b. There is a difference in outlook between the Ambassador/Embassy and the Station, the former being inclined leftward towards the Christian Democrats and Tomic and the latter inclined right-of-center towards the Nationals and Alessandri. This has lead to a healthy and constructive exchange of views and has in no way impaired the Station's fine relationship with Ambassador Korry; and

c. Looking to the future, it appears that in 1970 there will be a three-way presidential contest involving a Christian Democrat (Tomic), an independent/rightist (Alessandri), and a popular front candidate. Based upon past voting patterns and an assessment of present party strengths, that race promises to be very close.

(Signed) William V. Broe

William V. Broe
Chief
Western Hemisphere Division

Attachment:
[redacted]

cc: DDCI

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on 20 November 1968

DDP/WH/[redacted] (19 November 68)
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